

# Town of Darien

Town Administrator's  
Proposed Budget  
**Fiscal Year 2015-16**

# A Budget of Reflection

# Context for the Budget

Continue to be challenged in determining the appropriate balance between operating requirements, level of services, community demands and expectations, and taxes during uncertain economic times.

Budget impacted by the 1% Mock Budget exercise which tracked the impacts of budget contraction.

Collapsing petroleum pricing helped mitigate against one-time, ill-advised cuts described in the Mock Budget.

# Context for the Budget

The budget represents a collection of priorities and values.

- \* Budget as a policy document
  - \* Level and quality of services are established
- \* Budget as funding plan
  - \* Path for Town to keep progressing as a community is laid out

Choices will have to be made to balance the numbers of the budget with the value each service provides.

# Context for the Budget

- \* The Town has to respond to unfunded State mandates.
  - \* Regulation or statute can compel the creation of a service or dictate how it is delivered.
  - \* Statute can create liabilities and obligations municipalities must budget for.
- \* Mandates trigger required expenditures
  - \* Mandates are estimated to cost the Town side of the budget \$5.4 million in operating expenses (or 17%)

# Value of Services


The value of Town services helps build and maintain the community ranging from infrastructure and public safety to lifestyle services.

Value also speaks to the partnerships the Town is involved in and outside resources leveraged to provide services.


The budget carries forth funding of partnerships in delivering services including support for the Library, Post 53, and fire departments.

# FY15-16 Budget: Expenditures

	FY14-15	FY15-16
Operating Costs	\$30,961,417	\$31,758,567
Debt Service	\$11,483,791	\$13,192,966
Transfers	\$3,284,966	\$2,411,003
<b>TOTALS</b>	<b>\$45,730,174</b>	<b>\$47,362,536</b>



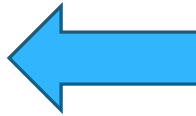
Operating budget  
cut by \$385,638 so  
far



Capital budget cut  
by \$842,873 so far

# FY15-16 Budget: Expenditures - v2.0

	FY14-15	FY15-16
Operating Costs	\$30,961,417	\$31,758,567
Debt Service	\$11,483,791	\$13,192,966
Transfers	\$2,509,966	\$2,411,003
<b>TOTALS</b>	<b>\$44,955,174</b>	<b>\$47,362,536</b>



Transfers without  
\$775,000 added for  
purchase of Hoyt  
Street property



# FY15-16 Budget: Expenditures

	FY14-15	FY15-16	Increase (Decrease)	
<b>Town Government</b>				
Operating & Personnel	\$30,961,417	\$31,758,567	\$797,150	2.57%
Transfer/Capital	3,284,966	2,411,003	(873,963)	(26.60%)
<b>TOTAL TOWN</b>	<b>\$34,246,383</b>	<b>\$34,169,570</b>	<b>(\$ 76,813)</b>	<b>(0.22%)</b>
<b>Debt Service</b>				
Sewer Debt	\$ 707,343	\$ 686,112	(\$ 21,231)	(3.00%)
Town Debt	3,365,616	5,482,234	2,116,618	62.89%
Education Debt	7,410,832	7,024,620	(386,212)	(5.21%)
<b>TOTAL DEBT SERVICE</b>	<b>\$11,483,791</b>	<b>\$13,192,966</b>	<b>\$1,709,175</b>	<b>14.88%</b>
<b>TOTALS</b>	<b>\$45,730,174</b>	<b>\$47,362,536</b>	<b>\$1,632,362</b>	<b>3.57%</b>

# FY15-16 Budget: Expenditures – v2.0

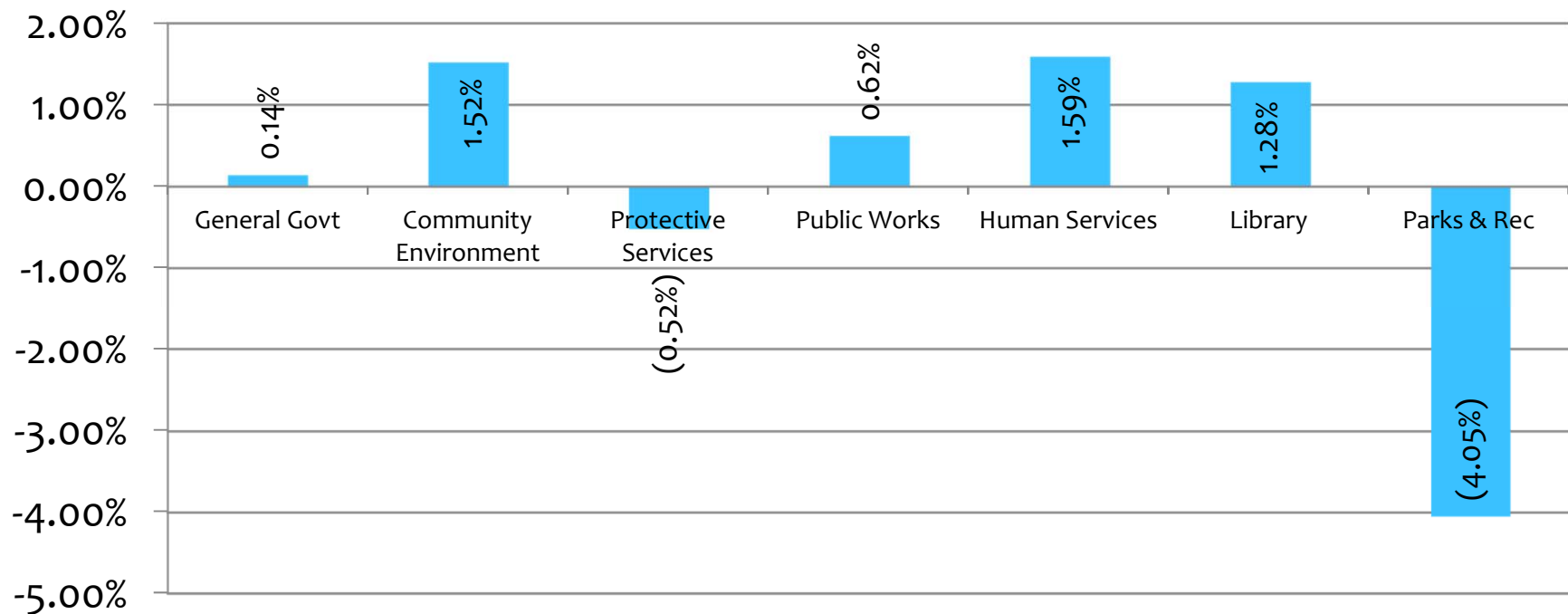
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	FY14-15	FY15-16	Increase (Decrease)	
<b>Town Government</b>				
Operating & Personnel	\$30,961,417	\$31,758,567	\$797,150	2.57%
Transfer/Capital	2,509,966	2,411,003	(98,963)	(3.94%)
<b>TOTAL TOWN</b>	<b>\$33,471,383</b>	<b>\$34,169,570</b>	<b>\$698,187</b>	<b>2.09%</b>

# FY15-16 Budget: Operating Centers

Activity	Revised FY14-15	Proposed FY15-16	Change
General Government	\$3,025,979	\$3,030,354	\$ 4,375
Community Environment	644,127	653,896	9,769
Protective Services	8,693,149	8,647,808	(45,341)
Public Works	4,810,017	4,839,774	29,757
Human Services	1,356,453	1,377,973	21,520
Library	3,483,239	3,527,758	44,519
Parks & Recreation	1,393,535	1,337,028	(56,507)

# FY15-16 Budget: Operating Centers



# FY15-16 Budget: Cost Drivers

- \* **Union Contracts.** All contracts expire on June 30, 2014. Need to continue funding of the terms and conditions of the contracts – only salaries will reflect a 0%. The Town needs to reserve for future settlements.
- \* **Utilities and Commodities.** Petroleum pricing collapsed recently creating the opportunity to lock in fuels at a low rate.
- \* **Workers Compensation and Package Insurance.** Costs for all other insurance will increase due to Darien-specific loss experience (WC 15%/LAP 10%).



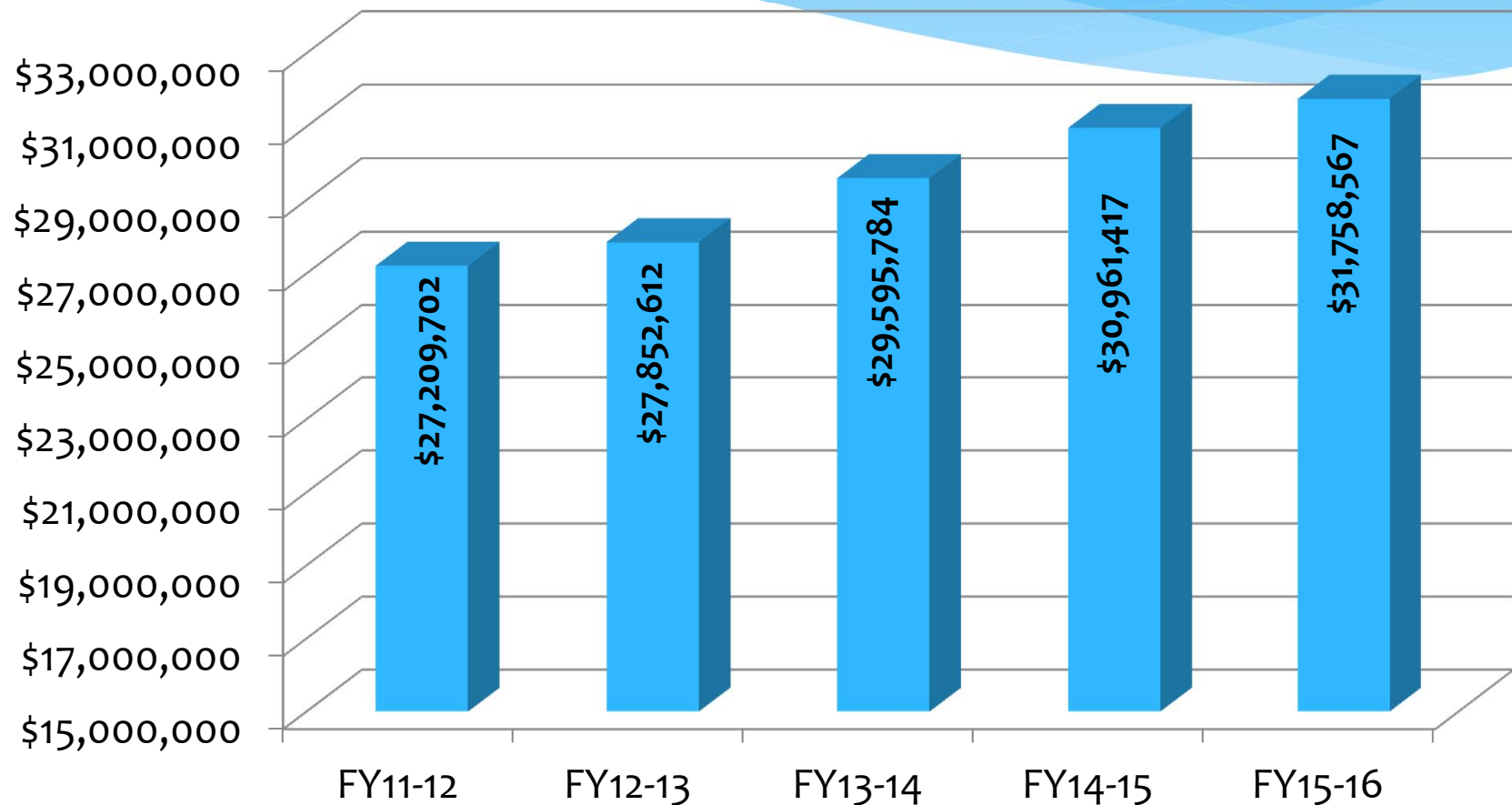
# FY15-16 Budget: Cost Drivers

- \* **Facility Management.** The budget proposes a facility management solution for implementation. Proposed creation of a facility mechanic with a trade license to perform work and upgrading a part-time employee to a full-time semi skilled laborer. Costs for employees spread to Parking Fund and Sewer Fund. 80% of the expense included in the General Fund.
- \* Eliminating Mather Center cleaning contract and 3 part-time building attendants to create a 4<sup>th</sup> custodian. Change should improve quality of building maintenance and create operational efficiencies.

# FY15-16 Budget: Operating & Personnel

	Revised FY15	% of Total	Proposed FY16	% of Total	Increase (Decrease)	
Personnel	\$18,663,744	60.3%	\$19,029,804	59.9%	\$366,060	2.0%
Legal Counsel	527,803	1.7%	531,846	1.7%	4,043	0.8%
Risk Mgmt	1,045,426	3.4%	1,173,816	3.7%	128,390	12.3%
Grants	70,903	0.2%	69,278	0.2%	(1,625)	(2.3%)
Library	3,483,239	11.3%	3,527,758	11.1%	44,519	1.3%
Utility/Fuel	1,430,984	4.6%	1,376,650	4.3%	(54,334)	(3.8%)
IT	441,775	1.4%	441,436	1.4%	(339)	(0.1%)
Solid Waste	1,012,313	3.3%	1,022,491	3.2%	10,178	1.0%
E&B Maint	665,919	2.2%	630,808	2.0%	(35,111)	(5.3%)
Road Maint	1,172,416	3.8%	1,206,463	3.8%	34,047	2.9%
Op. Supply & Svcs	1,846,415	6.0%	1,753,105	5.5%	(93,310)	(5.1%)
Contingency	600,480	1.9%	995,112	3.1%	394,632	65.7%
<b>TOTAL</b>	<b>\$30,961,417</b>	<b>100.00%</b>	<b>\$31,758,567</b>	<b>100.00%</b>	<b>\$797,150</b>	<b>2.6%</b>

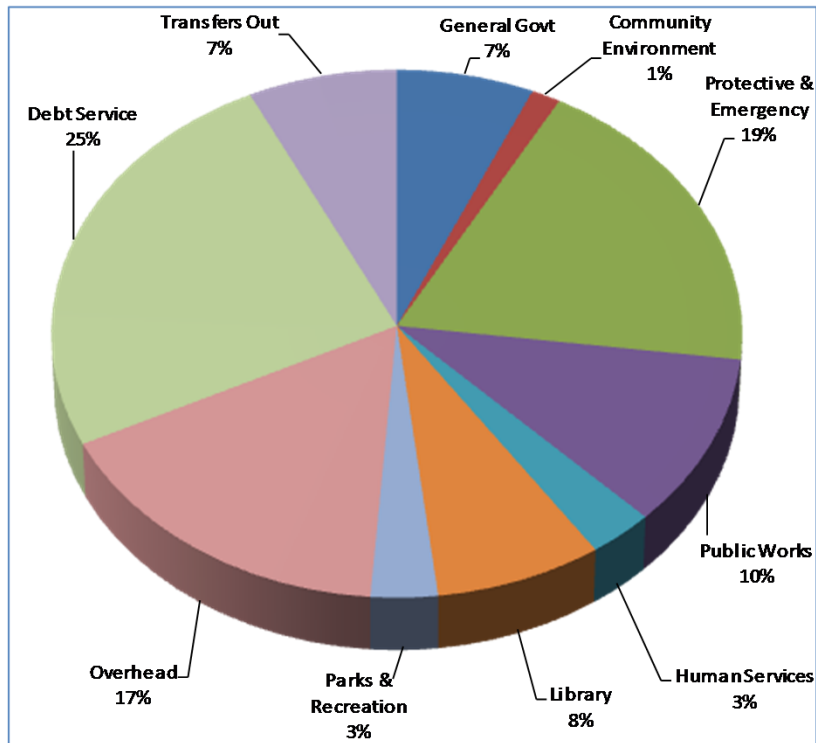
# FY15-16 Budget: 5 Year Perspective



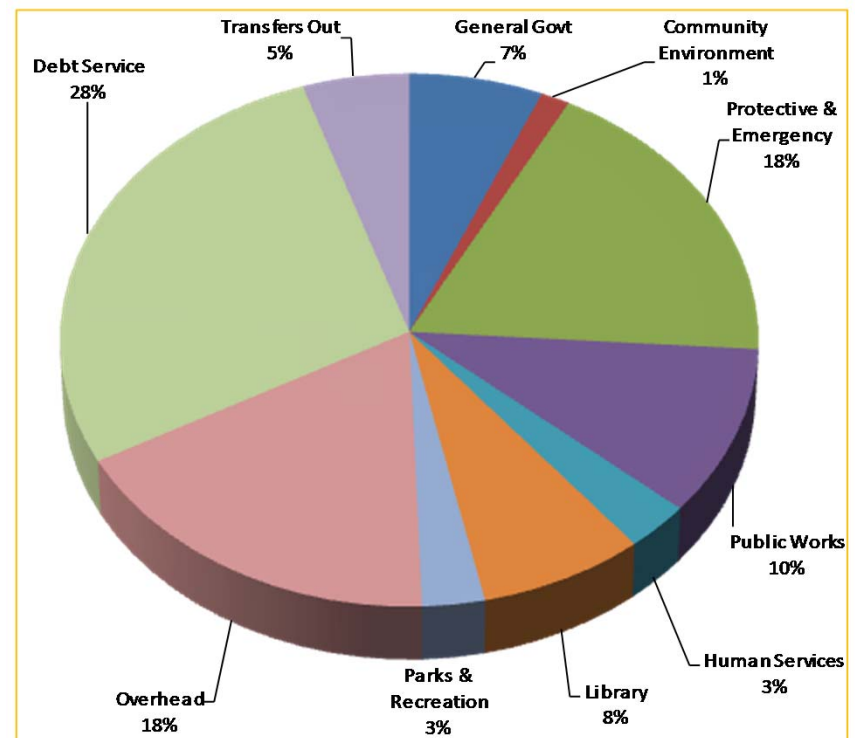


# FY15-16 Budget: Comparison

**FY2014-15 BUDGET**

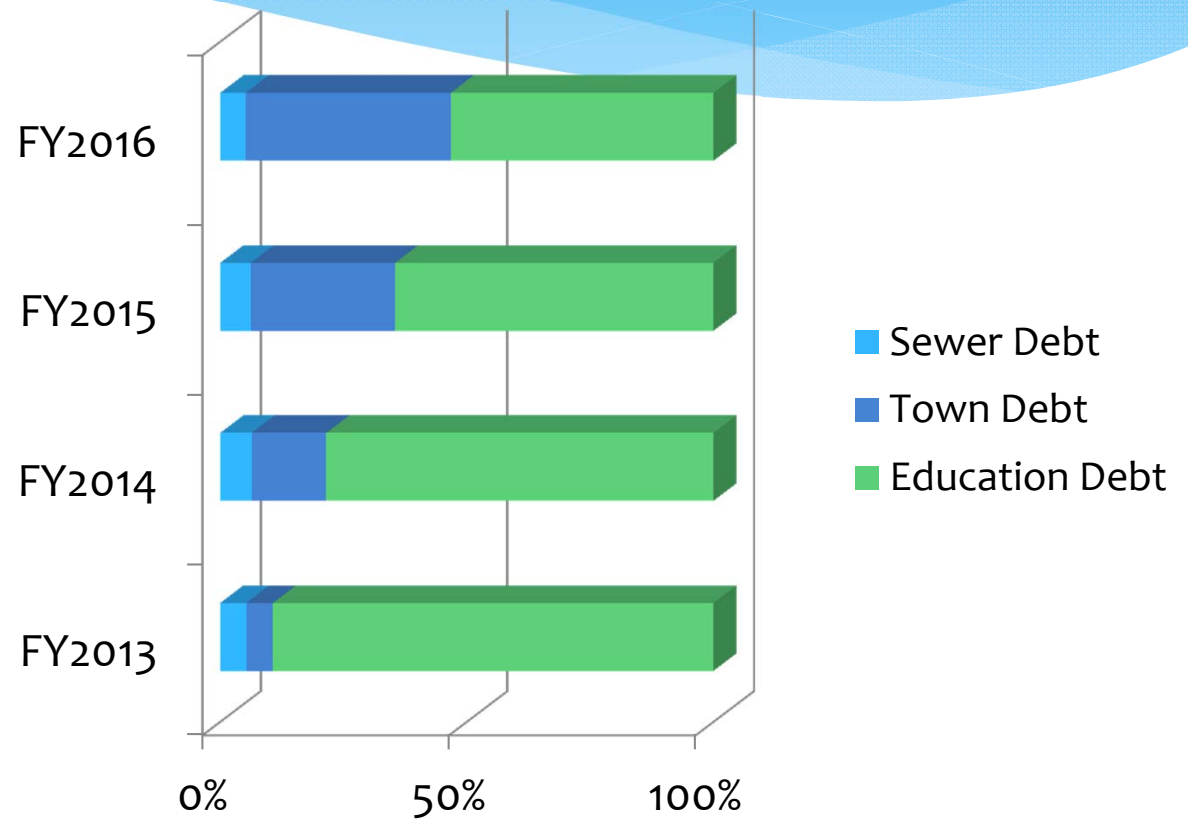


**FY2015-16 BUDGET**

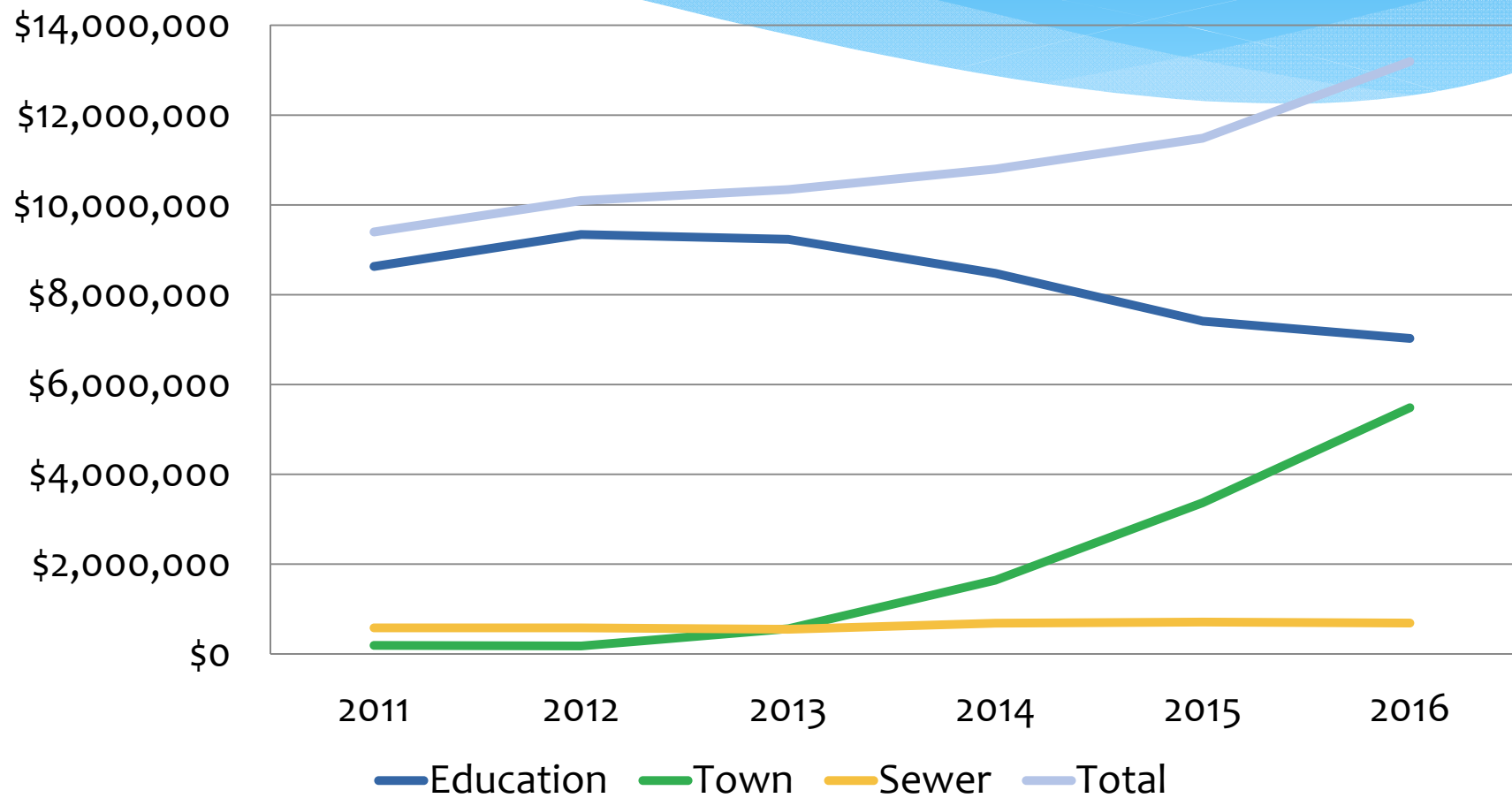


# FY15-16 Budget: Debt Service

- \* Education remains the largest component of debt service.
- \* Assumed regarding Bond Anticipation Notes for purchase of 4 Short Lane creates major impact to debt service.



# FY15-16: Debt Service



# FY15-16 Budget: Capital

## **NEW SHORT-TERM FUNDING NEEDS:**

- \* Record digitization
- \* DPW Garage Study
- \* Short Lane Park Design

## **PLANNED PROJECTS:**

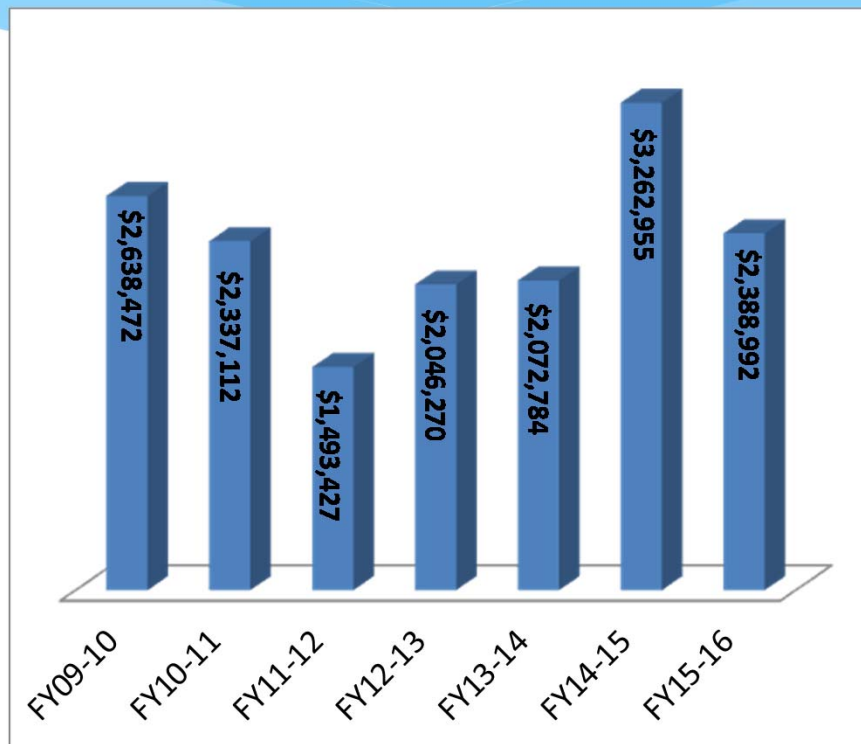
- \* Fire apparatus reserve funding
- \* Police vehicle replacements
- \* Police boat replacement
- \* Update to Plan of Conservation and Development

# FY15-16 Budget: Capital

General Fund support for Capital is proposed to decrease by (\$873,963) or (26.8%)

Capital funding was revised by the RTM to increase the budget by \$775,000 to acquire 32 Hoyt Street for the Board of Education's use.

Creates temporary spike in funding.

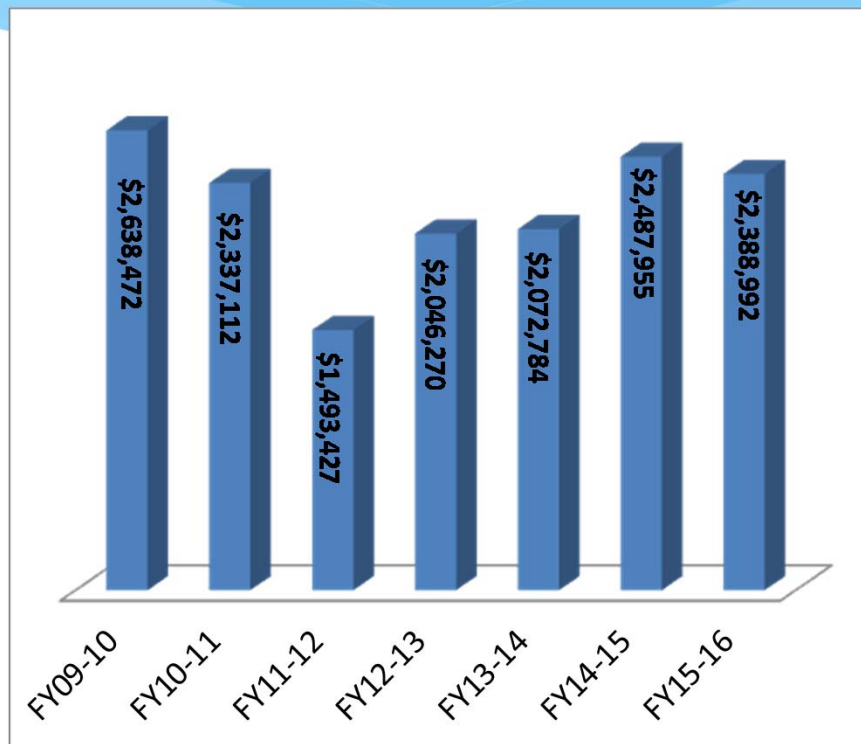


# FY15-16 Budget: Capital – v2.0

General Fund support for Capital is proposed to decrease by (\$98,963) or (3.98%)

Need to examine sustainable funding levels to preserve infrastructure, maintain assets and service levels, and support key investments.

All projects were prioritized with greatest need and priority proposed in this budget.



# FY15-16 Budget: Non-tax Revenue

	FY14-15	FY15-16	Increase (Decrease)	
Licenses & Permits	3,408,050	3,398,900	(9,150)	(0.27%)
State Grants-in-Aid	2,543,533	2,347,664	(195,869)	(7.70%)
User Fees	1,562,631	1,608,530	45,899	2.94%
Fines	24,100	24,100	0	0.00%
Investment Income	100,000	100,000	0	0.00%
Misc. Revenue	2,865,870	2,111,730	(754,140)	(26.31%)
TOTAL	10,504,184	9,590,924	(913,260)	(8.69%)

State aid typically provides 2.2% of General Fund revenue

Locally generated funds typically provide 5.5% of General Fund Revenue

# FY15-16 Budget: Non-tax Revenue – v2.0

	FY14-15	FY15-16	Increase (Decrease)	
Licenses & Permits	3,408,050	3,398,900	(9,150)	(0.27%)
State Grants-in-Aid	2,543,533	2,347,664	(195,869)	(7.70%)
User Fees	1,562,631	1,608,530	45,899	2.94%
Fines	24,100	24,100	0	0.00%
Investment Income	100,000	100,000	0	0.00%
Misc. Revenue	2,090,870	2,111,730	20,860	1.00%
TOTAL	9,729,184	9,590,924	(138,260)	(1.42%)



# FY15-16 Budget: Mill Rate

Supt's Proposed Budget	\$91,355,326	Net Grand List	\$8,325,999,834
Supt's Proposed Capital	\$2,591,492		
Town Proposed Budget	\$47,362,536	Collection Rate (98.9%) Adjust	\$8,234,413,836
<b>TOTAL Proposed</b>	<b>\$141,309,354</b>		
		Value of One Mill	\$8,234,414
Less: Prior Yr & Non-Tax Rev	(\$11,110,924)		
<b>Amount to be Raised</b>	<b>\$130,198,430</b>		

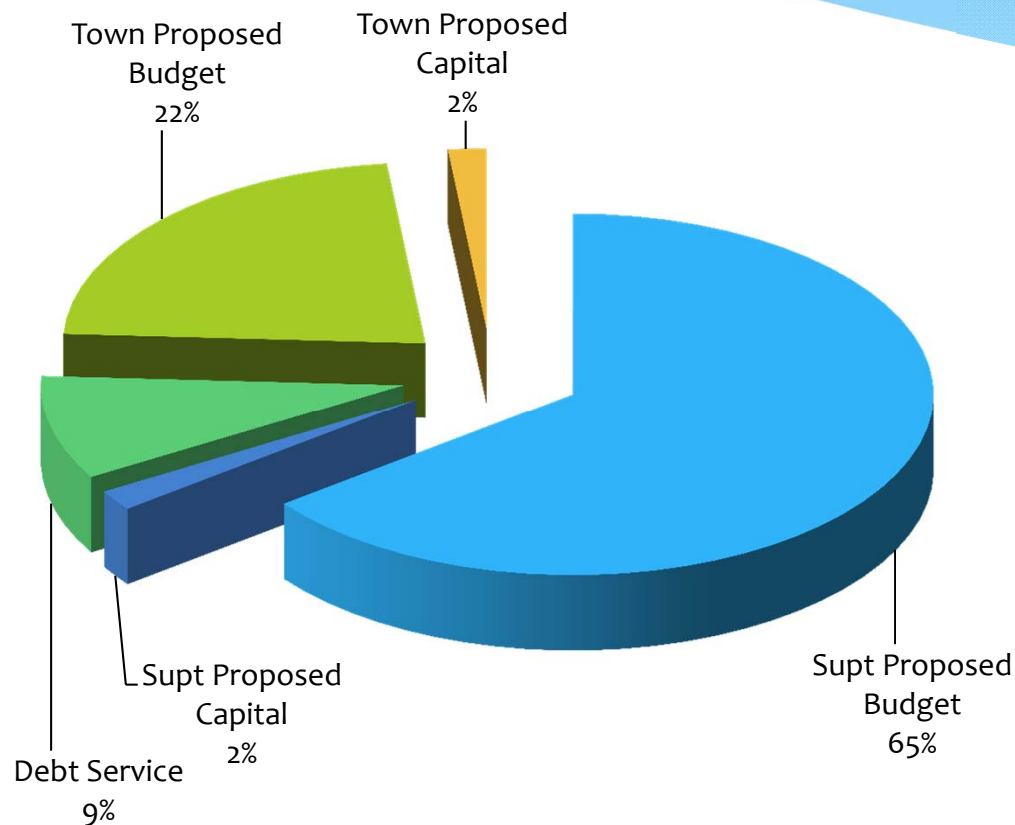
At this stage of the budget development process, a mill rate of 15.81 (or an increase of 0.80 mills) would be needed to support all proposed expenditures

# FY15-16 Budget: Impact of a Cut

- Size of a cut to impact the mill rate:
  - \* Value of 1 Mill = \$8,234,414
  - \* 0.01 Mills = \$82,344
  - \* To impact the mill rate, cuts must be increments of \$82,344
- Impact of a cut
  - \* Average Market Value of \$1,600,000
  - \* Assessment (70% of Market) = \$1,120,000
  - \* Projected mill rate of 15.81 mills
  - \* Tax bill of \$17,707
  - \* 0.01 mill cut reduces average tax bill by \$11.00

0.25 mill reduction  
saves \$280 per year  
but requires  
\$2,058,600 in cuts

# FY15-16 Budget: Mill Rate



- \* In allocating the mill rate nearly 72% of the proposed tax rate is a result of education expenses
- \* Town-related expenses are 28% of the proposed mill rate.
- \* **This is an expression of how the Town has set its priorities.**

# FY15-16 Budget: Update

The actuarial assumptions for funding needed to support the Town Pension Plan, Police Pension Plan and Police Retiree Medical Plans has been delivered

The actuarial analysis describes a level of funding needed lower than that assumed.

The Board of Selectmen can consider a further cut of \$473,774.

This reduction translates into:

- \* **Operating budget of \$31,284,793 – an increase of \$323,376 or 1.04%**
- \* Total budget of \$46,888,762 - increase of \$1,158,588 or 2.53%
- \* Mill rate reduction of 0.06 mills to a rate of 15.75 mills

# Final Budget Thoughts

The Board of Selectmen will set the direction for the Town with this budget, establish priorities and define service levels

Over \$1.22 million has been cut from the budget thus far and kept services requested from the public or mandated by the State intact.

# Final Budget Thoughts

- \* Further reductions will require policy direction and priority setting by the Board of Selectmen along with changing public expectations
- \* With the recommended cut this evening, Town operating **expenditures will have a 1% increase** – reflecting the target of the Mock Budget exercise.



As of now, the budget ceases to be a staff document and it is the Board of Selectmen's

